

## Message Text

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PAGE 01 AMMAN 03503 180812Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 OPIC-06 /037 W  
-----054176 182046Z /64

R 180634Z APR 78  
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TO USDOC WASHDC  
INFO SECSTATE WASHDC 5800  
AMEMBASSY ATHENS

UNCLAS AMMAN 3503

DEPARTMENT PASS OPIC, ATHENS FOR RTDO

E.O.11652: N/A  
TAGS: BTIO, JO  
SUBJECT: U.S./JORDANIAN JOINT VENTURE IN FOOT WARE MANUFACTURE

REF: 1977 AMMAN A104

1. CROWN PRINCE HASSAN PATRONIZED THE OFFICIAL OPENING  
(AMBASSADOR ATTENDED OF THE INTERNATIONAL LEATHER PRODUCTS  
CO. INC., (ILPC) ON THURSDAY APRIL 13, 1978. THIS IS THE FIRST  
PRIVATELY OWNED AMERICAN-JORDANIAN JOINT VENTURE; 50 PERCENT  
OWNED BY WOLVERINE WORLDWIDE INC AND 50 PERCENT BY THE JORDAN  
TANNING CO.

2. ILPC'S CAPITAL IS APPROX. \$1.5 MILLION. IT CURRENTLY  
EMPLOYS 150 PERSONS, AND EXPECTS TO EMPLOY A TOTAL OF 225 BY  
THE END OF 1978, AFTER ADDITIONAL STAFF ARE TRAINED. THE  
NEW 25,000 SQ.FT. FACILITY IS CAPABLE OF PRODUCING 250,000  
PAIRS OF SHOES A YEAR-ALL TO BE MARKETED IN THE MIDDLE EAST.

3. ACTUAL PRODUCTION STARTED IN EARLY JANUARY 1978.  
ILPC'S FIRST CONTRACT WAS SIGNED WITH THE JORDAN ARAB ARMY FOR  
THE SUPPLY OF 150,000 PAIRS OF BOOTS. SYRIA AND LIBYA  
ARE ENDEAVORING TO SIGN CONTRACTS WITH ILPC, BUT NEGOTIATIONS  
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ARE STALLED BECAUSE COMPANY ALREADY PRODUCING AT CAPACITY.  
EXPANSION IS PLANNED FOR THE NEAR FUTURE INTO THE CIVILIAN MARKET  
AND ADDITIONAL MACHINERY IS ON ORDER TO HELP MEET CONSIDERABLE  
IDENTIFIED MIDDLE EAST MARKET DEMAND.

4. ILPC HAS A LICENSE FROM WOLVERINE TO PRODUCE AND MARKET  
FOOTWEAR

UNDER THE HUSH PUPPIES AND WOLVERINE LABELS.

5. GOJ CONSIDERS THIS AN APPROVED ECONOMIC PROJECT, WHICH ENJOYS ALL PRIVILEGES GRANTED BY THE ENCOURAGEMENT OF INVESTMENT LAW (NO. 53 OF 1972).

6. COMMENT--BOTH JORDANIAN AND AMERICAN PARTNERS IN ILPC HAVE BEEN PLEASED WITH DEVELOPMENT OF THEIR JOINT VENTURE AND ARE ENTHUSIASTIC CONCERNING FUTURE SALES AND PROFITS. EMBASSY IS ALSO NATURALLY PLEASED THAT CONSIDERABLE FACILITATIVE ASSISTANCE WE PROVIDED AS PROJECT DEVELOPED APPEARS TO HAVE CONTRIBUTED SIGNIFICANTLY TO ITS PROSPECTS FOR IMPRESSIVE SUCCESS. WE BELIEVE THAT AVAILABILITY OF OPIC INSURANCE PROGRAMS WAS ALSO INSTRUMENTAL TO SUCCESS OF PROJECT. CURRENT STATUS AND PROSPECTS FOR THIS FIRST PRIVATE AMERICAN-JORDANIAN JOINT VENTURE IN LIGHT MANUFACTURING CONFIRM OUR LONGSTANDING BELIEF THAT THERE ARE ATTRACTIVE DIRECT INVESTMENT OPPORTUNITIES IN JORDAN FOR AMERICAN FIRMS WILLING AND ABLE TO BOTH TAKE ADVANTAGE OF INCENTIVES TO INVESTMENT HERE AND MAKE SERIOUS EFFORTS TO OVERCOME OBSTACLES (REFAIR).  
PICKERING

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## Message Attributes

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